Approved For Release 2001/03/04 : CIA-RDP81B00878R001200110178-6

SECRET

SAPC - 12444
Copy 5 of 7
January 18, 1957

SC-56

Lockheed Aircraft Corporation
Burbank
California

Dear Hal:

25X1A Reference is made to your letter dated December 5, 1956, pertaining to the allocation of $2,653.47 to Contract No. SC-56, which represents an expenditure of [redacted] for each man for each day they resided at the original Detachment "A" installation.

At the time your letter arrived, Kelly was visiting Headquarters, and it was his statement that this cost was not to be allocated to the contract. He stated he had "dug up" the necessary funds, some $50,000.00 for use in defraying this expense.

I realize from an accounting point of view that it is necessary for you to allocate the amount to the contract for the simplicity of bookkeeping but have been requested by the Contracting Officer to advise you that amounts expended for the purposes indicated will not be admissible costs against the agreement.

The matter of $6,050.00 established as an imprest fund should not be billed against the contract until actually expensed. However, here again, if it simplifies your bookkeeping operations, we will not object to treating it as an expense on interim billings so long as credit adjustments are effected in the final analysis. A word from you indicating how you expect to treat this type of item hereafter will be appreciated.

Very truly yours,

Doug

Distribution:
0 & 1 - Addressee
25X1A 3-4 - [redacted]
5 - SC-56
6 - Reading (Fin)
7 - Chrono
DNO/so

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NO CHANGE IN CLASS.
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